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September 13, 1996

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.,
Washington, D.C. 20554

Re: Ex parte Matter, CC Docket No. 96-45, In the Matter of Federal-State Joint Board on Universal Service

Dear Mr. Caton:

This letter responds to the request of Ms. Lygeia Ricciardi of the Commission's Office of Plans and Policy, for information regarding the provision of various communication services to healthcare providers by Independent Telephone and Telecommunications Alliance members in their various service areas.

I am attaching to this letter the information provided to Ms. Ricciardi on this date.

In accordance with the requirements of Section 1.1206(a)(1) of the Commission's Rules, two copies of this letter with attachments are being filed today for inclusion in the public record.

Sincerely,

Diane Smith

Diane Smith

DS/ss

Attachment

cc: Ms. Lygeia Ricciardi

202-783-3970
FAX 202-783-3982
655 15th Street N.W.
Suite 220
Washington, DC 20005

No. of Copies rec'd 0+1
List ABCDE

MEMORANDUM

TO: Maura Gerdy
FROM: Matt Dosch
DATE: September 12, 1996

RE: Tele-Medicine and Distance Learning Applications

Attached are several News Releases and handouts regarding the two tele-medicine and distance learning activities Rock Hill Telephone Company is currently involved in.

1) The BEACON organization is a local partnership of the telephone company, the Rock Hill School District, a regional technical college and a local university, among others. A distance learning trial utilizing the BEACON ATM network for several applications has been underway since January of this year.

2) The iSCAN News Releases explain a new, state-wide consortium of independent phone companies which will provide similar applications on a state-wide basis.

I realize this information may not be inherently self-explanatory -- please call me with any questions you may have.

Rock Hill
330 East Black Street
Rock Hill, SC 29730

BEACON

BEACON is a public/private sector collaboration in upstate South Carolina designed to deliver the full benefits of the "Information Highway" to all sectors of the rural and urban populations of this region. This ATM (Asynchronous Transfer Mode) fiber based network supports a full range of data and interactive 2-way video applications. Data speeds are sufficient to support full-text database and multimedia applications concurrent with multiple video conferences and interactive distance classes between schools, colleges, universities, and businesses.

Phase 1 implementation includes sites at Fort Mill High School, Northwestern High School, Rock Hill High School, Rock Hill Telephone Company, Winthrop University, and York Technical College. **Phase 2** calls for additional nodes to include Piedmont Healthcare System in Rock Hill and Lancaster, Lancaster High School, University of South Carolina at Lancaster, the City of Rock Hill, the York County Public Library, Chester High School, and other private sector users.

Projected applications cover the spectrum from education to health care and from ' nking to economic development.

College News Release

York Technical College

For Immediate Release

Contact: Joseph W. Polinski
Liz McCammon
(803) 327-8000

Community-wide fiber optic network proposed

February 24, 1995

A press conference is scheduled on Monday, February 27, at 1:00 p.m. in the Baxter M. Hood Center's telecommunications theater to announce the establishment of a community access network that uses the latest innovations in fiber optic technology.

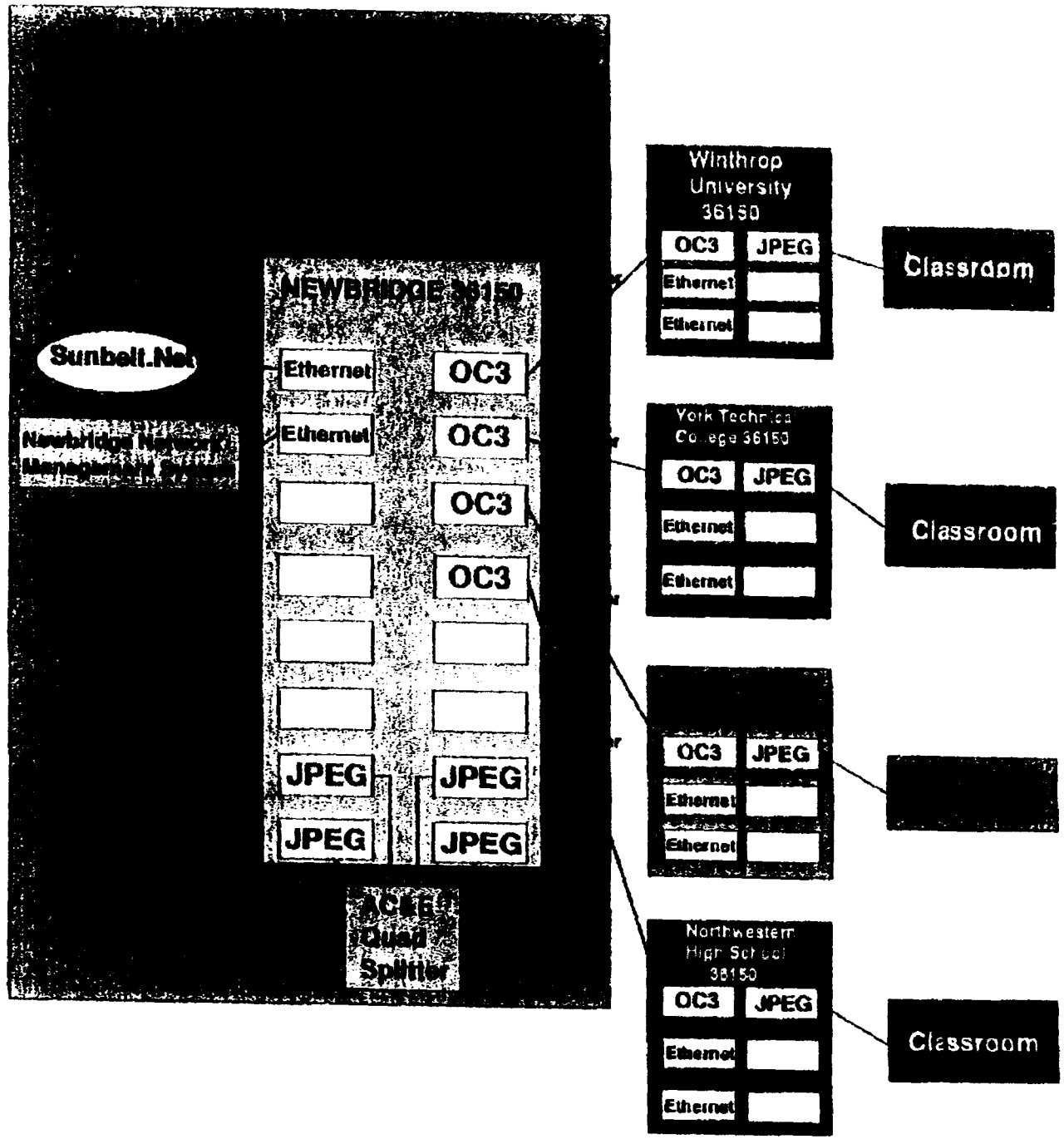
The announcement, which will be made jointly by the Presidents of Winthrop University and York Technical College, positions Rock Hill to become the first community in South Carolina to develop a fiber optic telecommunications infrastructure.

Initial applications of the network will include: two-way video conferencing, inter-library access, college credit courses for high school students, and internet access. Later on, the network will be expanded to encompass broader community needs such as medical care and economic development.

The partners in the Rock Hill Community Access Network are listed below:

Piedmont Medical Center
Rock Hill Cable TV
Rock Hill School District 3
Rock Hill Telephone Company
The City of Rock Hill
WNSC Channel 30

YORK TECHNICAL COLLEGE
452 SOUTH ANDERSON ROAD
ROCK HILL, SOUTH CAROLINA 29730


Sunbelt.Net
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OC3
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Ethernet
Northwestern
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JPEG
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Ethernet
Classroom

VC Visions™

A Visual Communications Newsletter by AC&E

Volume 5 *Spring/Summer 1996*

SOUTH CAROLINA School District Chooses AC&E

ATM Network Installed

The Rockhill School District 3 in Rock Hill South Carolina has awarded AC&E a contract to install distance learning equipment in their school district, surrounding districts, and other educational institutions. The goal of this particular project is to link various public and private sector entities together with a 21st century telecommunications infrastructure, to provide a portfolio of information services and interactive telecommunications facilities.

The objectives that needed to be met were to assure community-wide access, focus on interactivity, tailor each application for the specific user segments, and to ensure a network that could connect to other communities regionally and statewide.

(Continued on Page 7)

ATM Network Installed (cont.)

After the initial bid opening, the selection was reduced to two vendors. According to Dr. Gwyn Kodad of the Rock Hill School District, upon further evaluation, AC&E was chosen based on four criteria.

First, was cost effectiveness. Based on the needs, as outlined by the school district, the AC&E proposal was actually not the least expense solution, but offered them a flexible system that gave them the best value for their proposed budget. Second, AC&E was able to guarantee the compatibility of the equipment throughout the school system and with systems being used outside of the school district - ATM as well as T-1 video compression technology is to be used. Third, AC&E was able to meet the time schedule requirements that were put forth by the school district. This requirement was a very key part of the decision-making process. Finally, and most importantly, it was decided that AC&E offered a diverse solution at a cost effective price.

As a part of the award, the bid specifications required AC&E to allow other educational facilities in the school district to buy off of the contract in order to be able to take advantage of the negotiated pricing. Immediately upon acceptance of the contract by Rock Hill School District 3 and AC&E Ltd., York Technical College in Rock Hill issued a purchase order for equipment to be installed in a newly renovated classroom.

The objectives . . . were to assure community-wide access, focus on interactivity, tailor each application for the specific user segments, and to ensure a network that could connect to other communities regionally and statewide.

The pilot initiative for the Rock Hill Business, Education, and Community Online Network (BEACON) is designed to support development and implementation of applications in an ATM fiber-optic network environment. Initial sites include a number of high schools and colleges.

The BEACON partners will jointly develop and implement applications such as: distance learning; faculty development seminars; computer network access; interlibrary access; teleconferencing; and health, drug abuse, and community health programming.

AC&E and Newbridge once again add to their joint distance learning successes with the Rock Hill School District project. Rock Hill utilizes the same video hub concept that is so successful in the Arkansas distance learning network installed by AC&E and Newbridge. The video hub employs Newbridge 36150 Main Street ATM and motion JPEG technologies to deliver near-analog quality video throughout the distance learning network. The AC&E-designed video hub acts similar to an MCU to provide video routing and audio bridging for multipoint sessions. The AC&E hub also provides a quad-image feature which enables multiple sites to be viewed simultaneously, a feature that is just beginning to be offered by T-MCU manufacturers.

PRESS RELEASE

SOUTH CAROLINA INFORMATION SUPERHIGHWAY
TO BE CREATED BY 22 TELEPHONE COMPANIES

(Columbia, SC, June 10, 1996) -- A new telecommunications network service, the first of its kind in the nation, will be created in South Carolina by twenty-two telephone companies throughout the state.

Named iSCAN(R), the limited partnership company will provide the state's first true information superhighway service. Government, business, medical and educational institutions, as well as the general public, will have access to the new statewide network for voice, data and video communications.

"Many of the components needed for an information superhighway already exist in South Carolina," said W. J. Jordan, president and chief executive officer of iSCAN's general partner, South Carolina Net, Inc. "An excellent fiber optic cable infrastructure or 'backbone' is in place, thanks to the local telephone companies in this state. You might say that the 'superhighway' exists; what we need to add are the 'on-ramps'. iSCAN provides switching and control equipment that serves as on-ramps, and we supply the people and knowledge needed to build and manage the information superhighway in South Carolina.

"iSCAN provides the means to link existing local networks at businesses and educational, medical and government institutions," Jordan explained, "with a wide-area backbone' network to create an information superhighway accessible to virtually anyone with a computer."

-- more --

iSCAN offers advanced Asynchronous Transfer Mode (ATM) technology, which permits voice, data and video traffic to be carried simultaneously on the same network, eliminating the need for separate networks for each. The system utilizes state-of-the-art switching equipment from Newbridge Networks strategically placed throughout South Carolina.

Initially, iSCAN will operate only in South Carolina, but will expand to become a national provider within five years, Jordan said.

"ATM networks, serving as information superhighways, exist in several states, but iSCAN is believed to be the first enhanced service provider to offer turn-key, end-to-end service," said Jordan. "That is, we will provide every service and all equipment necessary to link businesses and institutions to the network. We will assist in defining network needs and implementing the approach selected, while replacing the need for separate in-house staff groups and equipment systems for each different transport technology. iSCAN will also eliminate the need for managers to deal with several companies to launch and maintain a network project. Ultimately, iSCAN will provide the means for every home in South Carolina to be connected to a vast information superhighway.

"The benefits for South Carolinians are far-reaching," Jordan continued. "Imagine a doctor at an emergency room in Greenville being able to instantly view the medical records of a patient from Charleston. Imagine a businessman in Columbia conducting a video conference with associates in Rock Hill and Florence, with each participant able to see and talk with the others. Imagine students at schools all over the state viewing and even questioning a lecturer -- in New York or Los Angeles or anywhere in the country.

-- more --

"iSCAN will make it possible for people to conduct banking, to view government information, to enjoy entertainment-on-demand, to access worlds of information from the comfort of their homes. The possibilities are endless," Jordan said, "and limited only by the imaginations of people in government, business, medical and educational institutions around the state and the nation who want to provide services on the information superhighway.

"ATM technology is the platform of the future," explained Jordan. "ATM delivers the capacity customers will need, and it provides great flexibility in bandwidth allocation, allowing voice, data, video, and image traffic to be carried on the same bandwidth, eliminating the need for separate networks for each. By consolidating traffic from networks based on other technologies to a common ATM platform, performance improvements can be substantial."

iSCAN is utilizing a state-of-the-art Newbridge(R) ATMnet(R) platform with Newbridge backbone switches strategically placed in Columbia, Greenville and Charleston.

Newbridge Networks Vice President of Marketing Irfan Ali said, "The system can manage thousands of sites and provide end-to-end control from a single point, including point-and-click configuration, partitioning, and extensive collecting of billing information and other important statistics. Currently, Newbridge network products are in use by the world's 200 largest telecommunications and more than 10,000 corporations, government organizations and other institutions in more than 75 countries."

iSCAN has headquarters at the Palmetto Center on Main Street in Columbia. Final testing of network control equipment is being completed this month. The founding partners of iSCAN are Bluffton Telephone Company, Chesnee Telephone Company, Chester Telephone Company, Farmers Telephone Cooperative, Fort Mill Telephone Company, Hargray Telephone Company, Home Telephone Company, Horry Telephone Cooperative, Lancaster Telephone Company, Lockhart Telephone Company, McClellanville Telephone Company, Norway Telephone Company, Palmetto Rural Telephone Cooperative, Piedmont Rural Telephone Cooperative, Pond Branch Telephone Company, Ridge Telephone Company, Ridgeway Telephone Company, Rock Hill Telephone Company, Sandhill Telephone Cooperative, St. Stephen's Telephone Company, West Carolina Rural Telephone Cooperative, Williston Telephone Company, and South Carolina Net, Inc. (General Partner).

Contacts:
W. J. Jordan, President and Chief Executive Officer
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Vivian Kelly, Manager, Media Relations
Newbridge Networks Corporation, 593 Herndon Parkway, Herndon, VA 22070, 703-736-5761, vivian_kelly@newbridge.com
If we may be of assistance arranging interviews or photographs, please contact:
Bud Dark, Dark III Marketing, Inc., 319 Oakland Avenue, Rock Hill, SC 29730, 803-328-2180, darkiii@infoave.net

BACKGROUND

ISCAN(R)

A New Telecommunications Network Service

Introduction

Traditionally, communications services – both private and public – have been provided by single network platforms dedicated to specific functions. Video services have been delivered on video networks, data services on data networks, and voice services on voice networks. While single-service platforms remain useful, both private and public network operators are finding the need to have multi-service networks. As the demand for voice, data and video networking grows, network providers are discovering the efficiencies of multi-tiered, multi-service networks, as well as the ease of creating them thanks to new technologies.

Changing User Environment

The communications needs of businesses and institutions are changing rapidly. Corporations and government agencies are more dependent on increasing amounts of information that must be linked to multiple locations. The entertainment industry, for example, is focusing on new multimedia applications to be delivered to homes. The financial industry is striving to introduce and expand personal computer banking services, and with these services come new security and reliability needs. Additionally, the explosion in the use of the Internet will add massive demands.

The mix of traffic – characterized as voice, data and video – on telecommunications networks is also changing. A recent study (Yankee

– more –

Group, 4/95) shows that end-users' needs for voice continues to grow at a modest rate while the need for data communications is increasing significantly. Video networking is also experiencing growing demand as network operators seek to improve the quality and decrease the cost of corporate, medical and educational communications.

In short, the demand for communications capacity is increasing dramatically. Supply must be expanded and cost efficiency is paramount.

To meet these challenges, today's telecommunications manager has been faced with a complex choice of technological questions. Will he use a public or private network? Does he need local or wide-area networking? How do tariffs and related costs affect his decisions? How does he plan for future growth without incurring unnecessary costs today?

Solutions

The nature of networking suggests that the more users supported, the more efficient a network becomes. Thus, when more users share one network, that network can be more cost efficient for both suppliers and end-users.

A single common network "backbone" that can accommodate the existing and the newer types of communications traffic is the answer. Asynchronous Transfer Mode (ATM) is the technology that makes such a "backbone" economically feasible.

-- more --

ATM networks are being used to consolidate traffic from networks based on other technologies including TDM, X.25, ISDN and frame relay. By migrating these technologies to a common ATM backbone, performance improvements are substantial. Not only does ATM deliver the capacity required, it also provides great flexibility in network allocation, allowing voice, data, LAN, video, and image traffic to be carried on the same bandwidth.

Summary

ATM technology provides the means to link existing local networks and computers at government, business, medical and educational institutions, as well as at individual homes, with a wide-area "backbone" network to create a vast information superhighway accessible to virtually anyone with a computer.

# # #

Reference: The Evolution of Business Networking
by Larry Hettick and Mike Wilkinson, September, 1995

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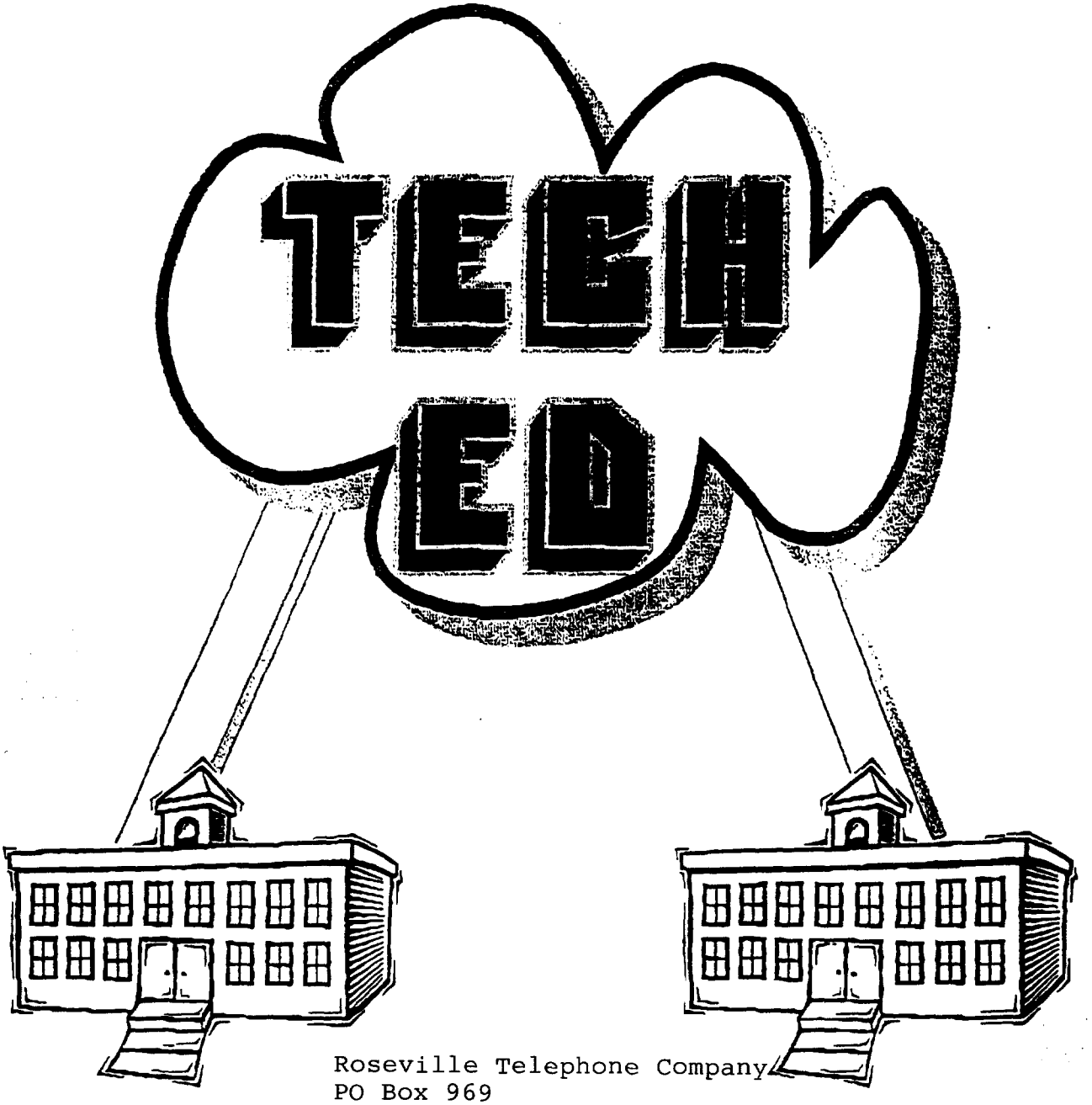
Newbridge Networks Corporation, 593 Herndon Parkway, Herndon, VA 22070, 703-736-5761,
vivian_kelly@newbridge.com
If we may be of assistance arranging interviews or photographs, please contact:
Bud Dark, Dark III Marketing, Inc., 319 Oakland Avenue, Rock Hill, SC 29730, 803-328-2180, darkiii@infoave.net

ROSEVILLE TELEPHONE COMPANY
PRESENTS



Roseville Telephone Company
PO Box 969
Roseville, CA 95678

ROSEVILLE TELEPHONE COMPANY
TECHNICAL EDUCATION PROGRAM

Roseville Telephone Company's Tech Ed Program provides technology services to schools and libraries for integrating advanced technology programs, such as access to the Internet and videoconferencing into school curriculums. The following are the primary elements of the Tech Ed Program.

- Roseville Telephone Company provides up to five ISDN (Integrated Services Digital Network) lines per site. Four lines can facilitate actual learning environments such as computer and media labs, classrooms and libraries. A fifth line can be used in an administrative environment.

- Roseville Telephone Company provides inside wiring of up to two classrooms per site.

- Roseville Telephone Company provides an alternative $3,000 per site credit (in lieu of ISDN) for those institutions with an interest in advanced technology services such as Frame Relay.

- Roseville Telephone Company provides free service area toll calls for a one-year period.

- Roseville Telephone Company contributes to the Detwiler Foundation to assist the Foundation in its activities. (Detwiler is a non-profit corporation working with correctional institutions to rehabilitate donated computers for program participants).

- Roseville Telephone Company's Tech Ed Program combines the benefits of both Pacific Bell's and General Telephone's company technology programs.

- Participating schools have until February 7, 1998 to apply for the Tech Ed Program by submitting a technology action plan and Tech Ed application.

- Roseville Telephone Company will assist in designing economical end-to-end equipment solutions.

QUESTIONS AND ANSWERS

ROSEVILLE TELEPHONE COMPANY
TECH ED

Questions & Answers

Q1.) What products and services are covered by the Tech Ed Program?
A1.) ISDN, or a credit for other broadband services and the appropriate ISDN terminal equipment.

Q2.) What applications does Tech Ed support?
A2.) The Tech Ed program supports data and video applications. Schools and libraries may receive four ISDN lines for district telelearning and one ISDN line for administrative use.

Q3.) Who qualifies for the Tech Ed?
A3.) K-12 public schools, private schools of 100 students or more registered with the State Department of Education, and public libraries.

Q4.) Are there restrictions on how the applications are used?
A4.) The service is for use by students and teachers for learning applications. The data and video applications may be used for other reasons as long as the primary use is being met.

Q5.) Are there restrictions on where the ISDN lines can be installed?
A5.) The ISDN lines must terminate at a bona fide learning location such as a computer lab, media lab classroom, school library etc.

Q6.) May customers use the value of the Tech Ed as a credit on their RTC bills?
A6.) No. At no time will credit be applied relative to existing wiring or a customer's reference for other products or services other than $3,000 credit for broadband services.

Q7.) Does RTC's Tech Ed Program allow for the free wiring of classrooms?
A7.) Yes. The program does allow for the wiring of up to two qualified learning locations, i.e. computer, multi-media lab, classroom, etc.

Q8.) What category of wiring is provided under Tech Ed?
A8.) All wire will be category three. Category 3 supports ISDN data and video applications.

Q9.) Will Tech Ed participants be covered by any Inside Wire Maintenance plans?
A9.) Yes. Free of charge for one year.

Q10.) What happens if a school is already using ISDN?
A10.) Schools using ISDN for telecomputing and/or interactive telelearning will receive the service free, or they may elect to install additional ISDN lines. If schools choose the free service option, RTC will negotiate a start date to change the billing for one year of free service.

Q11.) If a school orders Centrex service in association with the Tech Ed ISDN offer, is the Centrex service establishment charge covered?
A11.) No. Centrex service establishment charges are the responsibility of the participant.

Q12.) Are long distance charges outside of RTC's service area covered under Tech Ed?
A12.) No. Usage charges for interexchange carrier services are the responsibility of the participant.

Q13.) Do vendor discounts apply to all schools and libraries or just to Tech Ed participants?
A13.) Vendor discounts are negotiated for Tech Ed. Additional discounts or special terms and conditions would need to be identified on an individual basis between vendors and participants.

Q14.) What procurement process has been established for schools and libraries to buy equipment at the Tech Ed prices?
A14.) RTC will coordinate sessions between schools and vendors.

Q15.) When does the Tech Ed Program expire?
A15.) Participating schools and libraries have until February 7, 1998 to submit applications. Provisioning of the ISDN service and program support will continue beyond the deadline date for applications.

Q16.) How will you determine the order in which applicants receive Tech Ed benefits?
A16.) The implementation process will be on a first-come, first-served basis. However, those schools equipped and ready to take advantage of tech Ed will most likely be served first.

Q17.) What is the process for a school or library to take advantage of Tech Ed?
A17.) RTC is providing application packages to eligible school district and libraries. Applicants must fill out a two-page application, include a copy of their technology plan, and submit the package to RTC. An RTC representative will review the application and work with the schools and libraries to ensure the technology plan qualifies.

Q18.) Do all eligible educational institutions have access to ISDN?
A18.) Yes. RTC's ISDN service is offered throughout our service territory.

Q19.) Are other services besides ISDN, for example Frame Relay, included in the Tech Ed offer?
A19.) RTC will offer a $3,000 alternative credit for services, such as Frame Relay.

The Sacramento Bee

High-tech era advancing in Roseville, Granite Bay

By Art Campos
Bee Staff Writer

Schools and libraries in Roseville and Granite Bay are nearing the on-ramp to the information superhighway.

With Roseville Telephone Co.'s help, 43 schools and libraries within the company's service area may soon have the capability of providing high-tech information to students and library users.

The telephone company is awaiting approval from the California Public Utilities Commission to install up to five integrated services digital network (ISDN) lines per school or library at no charge, with the monthly basic service and local service area toll to be free for one year.

"This is absolutely wonderful," said Debbie Bettencourt, assistant superintendent for business in the Roseville City School District. "This will put us in line with our goal of providing the latest technology to our students."

Kelvin Lee, superintendent of the Dry Creek Elementary School District, said his schools would be able to compete with other schools nationwide.

The "Tech Ed" proposal comes on the heels of what Pacific Bell has been providing this year for schools and libraries throughout the state, including Sacramento.

Since January, 215 schools in California have "wired up" under the program. The connection of schools to the Internet was made possible by Pacific Telesis' $100 million Education First initiative.

Phil Quigley, chairman of Pacific Telesis, the communications corporation of which Pacific Bell is a subsidiary, said about 700 schools in the telephone company's service area have some form of digital connection to the superhighway.

"Our goal is to get that number to 9,000," he said, adding that the figure would constitute 100 percent of the schools in Pacific Bell's territory.

In the Roseville area, which is not serviced by Pacific Bell, Roseville Telephone Co. agreed to provide connections for libraries and five school districts within the service area.

The Roseville Joint Union High School District and the elementary school districts of Roseville City, Dry Creek and Eureka Union will be beneficiaries of the Tech Ed program.

A small portion of the San Juan Unified School District is within the Roseville Telephone service area, and schools within that boundary will also be eligible, the company said.

Roseville Tele wins approval to offer schools ISDN lines

By JIM JANSSEN
The Press-Tribune

ROSEVILLE — The Roseville Telephone Co. has won regulatory approval to help schools and libraries within its service area hookup to the Internet.

Under its Tech Ed program, approved by the California Public Utilities Commission, the company will offer schools and libraries free Integrated Services Digital Network (ISDN) installation and a free year of service. ISDN is a high-speed digital phone line that is used for data transmission.

The company will provide up to five ISDN lines per school. Four of the lines must be used in classrooms, libraries, computer rooms and media labs. The fifth line can be used by the school's administration.

The more than 40 K-12 public and a handful of private schools within the company's service area will have two years to submit an application for the service. Private schools qualify if they serve 100 or more students and are registered with the state Department of Education.

Installation of the phone lines for the program will be free and monthly basic service and local service area toll will be free for one year. In the second year, the company will charge a discounted rate, yet to be determined. The company is working with the PUC to establish an education access rate to ensure affordable telecommunications for public schools and libraries.

The Tech Ed program also offers an alternative credit of $3,000 for advanced data services, high-speed computer data and video phone lines and offsetting usage costs for these lines, such as frame relay.

"The beauty of the grant is it provides an alternative or in-kind money to schools who already have ISDN," said Dry Creek District Superintendent Kelvin Lee. "Our district already has ISDN installed and we hope to take advantage of the funds for consulting help or other equipment. It's very fortunate to have the flexibility to use the grant to complement existing technology in our district."

Roseville Telephone has been involved in providing its technological resources to the Dry Creek School District since the late 1980s.

Roseville Telephone's Tech Ed program combines the benefits of both Pacific Bell and General Telephone's education plans.

"Roseville Telephone's program is unique in that it combines the best of what programs have been submitted so far and offers additional services," said Phil Germond, Roseville Telephone's general sales manager.

In addition, Roseville Telephone will provide a $5,000 initial contribution to the Detwiler Foundation to assist the foundation in a computer matching program to equip schools with computers necessary to meet the technical opportunities and challenges of the 21st century. Detwiler is a non-profit corporation working with correctional institutions to rehabilitate donated computer equipment.

According to company officials, the Tech Ed program recognizes that it is essential for students to be prepared to use today's advanced technology.

"Roseville Telephone is committed to integrating technology to all of the educational facilities in our service area by the end of 1996," said company president Brian Strom. "Our company has long made significant contributions to local schools and will continue to expand that commitment in the future."

PictureTel Corporation
The Tower at Northwoods
222 Rosewood Drive
Danvers, MA 01923

Post-it™ brand fax transmittal memo 7671 | # of pages ▸ 3

To Diane Smith	From Carrie Thorpe
Co. ALLTEL	Co. Commonwealth Tel.
Dept.	Phone # 717-674-4978
Fax # 202-783-3982	Fax #

News Release

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PictureTel videoconferencing chosen for major new K - 12 distance learning network in northern Pennsylvania

PictureTel and Commonwealth Telephone Company partner to help create the nation's largest multi-state primary school dial-up videoconferencing network

DANVERS, Mass. – May 1, 1996 – The Northern Tier Rural Distance Learning Consortium in Pennsylvania recently chose PictureTel® videoconferencing solutions to help create what is believed to be the largest primary school distance learning network in the country. The consortium, which is using a federal grant to build the network, is purchasing the videoconferencing systems from Commonwealth Telephone Company of Dallas, Penn., a PictureTel authorized dealer.

The Northern Tier Consortium, which has its headquarters in Towanda, Penn., provides videoconferencing services to six rural school districts and three colleges -- including Penn State University -- encompassing nearly 15,000 students. The consortium recently received a five-year, $2.9 million Technology Challenge Grant from the U.S. government, which it will use to expand its program.

The consortium plans to expand its PictureTel videoconferencing network to 40 schools in 23 rural districts in Pennsylvania, New Jersey and New York over the next 12 months. Over the next several years, the consortium plans to deploy more than 100

-more-

Commonwealth Telephone
100 Lake Street
Dallas, PA 18612

Phone 508.762.5000
Fax 508.762.5245

PictureTel videoconferencing systems throughout its member area, which will make this the nation's largest multi-state primary school dial-up distance education network.

The consortium previously used a $500,000 grant from the U.S. Department of Agriculture's Rural Electrification Administration to establish its initial distance education program in northern Pennsylvania.

"PictureTel videoconferencing is used to provide elementary, middle, secondary and college students access to educational opportunities not available in our rural areas," said Dr. Daniel Paul, president of the Northern Tier Distance Learning Consortium. "This federal grant will allow us to make available high quality education to all students, regardless of their location."

Consortium members share faculty as well as course development resources in order to provide a full course curriculum via PictureTel's industry-leading group videoconferencing systems, including the System 4000 ZX, at all school locations. Career development programs also are available to area adults through the network.

"PictureTel is pleased that our videoconferencing solutions are being used to enrich the educational experience for students in these rural areas," said Joan Nevins, vice president of customer segment marketing for PictureTel. "PictureTel's market-leading distance education applications will expand the boundaries of the classroom to include thousands of students in the consortium region."

Commonwealth Telephone Company is the communications carrier for the distance education network and has worked with the consortium since its inception. It

provides PictureTel systems, networking and bridging services for use over Commonwealth's digital phone lines. It has installed PictureTel systems in each of the distance learning classrooms, including bridging capabilities that enable multiple classrooms to communicate with each other simultaneously.

The federal grant is one of the most significant and innovative efforts to promote distance learning in rural areas. The PictureTel distance learning network is considered a national model for school districts nationwide.

PictureTel Corporation (NASDAQ: PCTL) is the world leader in videoconferencing with an estimated 50 percent worldwide market share. With more than 3600 systems being used for distance education in corporate and educational facilities around the world, PictureTel customers can access a wide array of trainers, educators and content providers easily and economically. Additional PictureTel information is available on the Internet at http://www.picturetel.com. PictureTel -- *Anywhere Now.*™

- End -

Recent PictureTel news releases are available by calling 1-800-716-6000, extension 4 (U.S. and Canada only).